

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE

SOUTHERN DISTRICT OF GEORGIA  
Dublin Division

IN RE:	)	Chapter 7 Case
WALTER E. HALL	)	Number <u>95-30490</u>
REBECCA HALL	)	
_____	)	
_____ Debtors.	)	
_____	)	
	)	Filed
WALTER E. HALL	)	at 2 O'clock & 20 min. p.m.
REBECCA HALL	)	Date: 2-3-00
	)	
Debtors/Movant	)	
	)	
vs.	)	
	)	
AMERICAN LENDERS FACILITIES	)	
SUCCESSORS IN INTEREST TO	)	
AEGIS AUTO FINANCE, INC.	)	
_____ Creditor and	)	
	)	
SCOTT J. KLOSINSKI,	)	
CHAPTER 7 TRUSTEE	)	
	)	
Respondents	)	
_____	)	

**ORDER**

By motion, Walter E. Hall and Rebecca Hall ("Debtors"), seek to redeem an automobile pursuant to 11 U.S.C. § 722 and § 348(f)(1)(B) from the lien of American Lenders Facilities successor in interest to Aegis Auto Finance, Inc. ("Creditor").

Creditor responds that there is a balance left owing on its loan, and asks that Debtors' motion be denied and that Debtors be required to pay the balance before title is released. Debtors' motion is granted.

Debtors' bankruptcy case was filed under chapter 13 on November 27, 1995. At the time of filing, Debtors owned a 1995 Pontiac Grand Am automobile manufacturer's ID # 1GZNE55D95C746971 financed with Creditor with a balance then due of \$15,898.07. Under the Chapter 13 plan the collateral, the Pontiac, was valued and the debt was split into a secured claim of \$11,439.40, and an unsecured claim of \$4,458.67. Creditor was paid \$13,167.21 under the chapter 13 plan. The secured claim was fully satisfied, and Creditor received \$1,727.81 in interest on the secured claim.

On January 25, 1999, Debtor's case was converted to chapter 7. The Trustee abandoned any claim to the Pontiac. 11 U.S.C. § 554. Debtors' motion to redeem was filed on May 10, 1999.

A chapter 7 debtor may redeem personal property under certain conditions. 11 U.S.C. § 722

11 U.S.C. § 722 provides:

An individual debtor may, whether or not the debtor has waived the right to redeem under this section, redeem tangible personal property intended primarily for personal, family, or household use, from a lien securing a dischargeable consumer debt, if such property

is exempted under section 522 of this title or has been abandoned under section 554 of this title, by paying the holder of such lien the amount of the allowed secured claim of such holder that is secured by such lien.

Debtors' Pontiac is for personal, family or household use. The underlying debt is a dischargeable consumer debt. The car was abandoned by the Trustee. Therefore, Debtors' may redeem the Pontiac by paying Creditor the amount of the allowed secured claim which remains secured by the lien.

11 U.S.C. § 348, Effect of Conversion, determines the amount of Creditor's remaining secured claim.

11 U.S.C. § 348(f)(1)(B) provides:

(f)(1) [with exceptions not relevant here] when a case under chapter 13 of this title is converted to a case under another chapter under this title -

(B) valuations of property and of allowed secured claims in the chapter 13 case shall apply in the converted case, with allowed secured claims reduced to the extent that they have been paid in accordance with the chapter 13 plan.

The valuation and subsequently allowed secured claim in the chapter 13 case of \$11,439.40, applies in the converted Chapter 7 case. This secured claim is reduced to the extent that it was paid in the chapter 13 case. Creditor was paid \$13,167.21 under the chapter 13 plan. The allowed secured claim was paid in full, nothing remains to be paid. Therefore, § 722 affords Debtors the right to redeem

their automobile from Creditor's lien without further payment.

It is, therefore, ORDERED that Walter E. Hall and Rebecca Hall's motion to redeem their 1995 Pontiac Grand Am automobile ID# 1GZNE55D95C746971 from the lien of American Lenders Facilities successor in interest to Aegis Auto Finance, Inc. is granted. The lien of American Lenders Facilities successor in interest to Aegis Auto Finance, Inc. on Walter E. Hall and Rebecca Hall's 1995 Pontiac Grand Am automobile manufacturer's ID# 1GZNE55D95C746971 is ORDERED canceled.

JOHN S. DALIS  
CHIEF UNITED STATES BANKRUPTCY JUDGE

Dated at Augusta, Georgia

this 3rd Day of February, 2000.